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MISSION

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

Information Required of Brokers and Dealers  
Pursuant to Section 17 of the Securities  
Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE
8-43682

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
**AK CAPITAL, LLC**

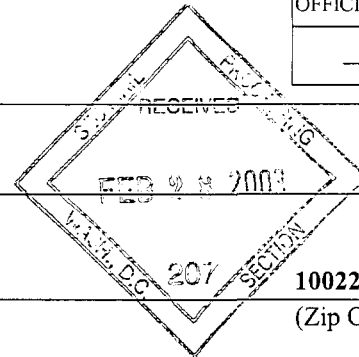
OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:  
445 Park Avenue, 9th Floor  
(No. and Street)

**New York**  
(City)

**New York**  
(State)

**10022**  
(Zip Code)



**NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT**

Andrew Kowalczyk (212) 333-8634  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT (Whose opinion is contained in this Report)  
(Name...if individual, state last, first, middle name)

**HERTZ, HERSON & COMPANY, LLP**

2 Park Avenue New York New York 10016  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**  
**APR 04 2003**  
**THOMSON FINANCIAL**

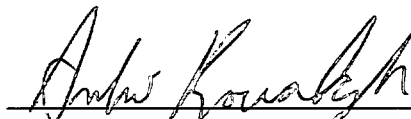
FOR OFFICIAL USE ONLY

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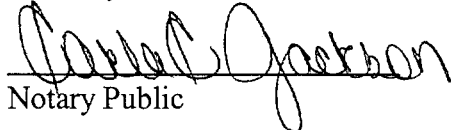
OATH OR AFFIRMATION

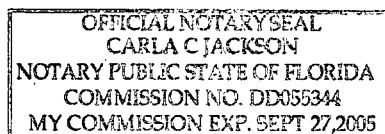
I, ANDREW KOWALCZYK, swear (or affirm) that, to the best of my knowledge and belief, the accompanying consolidated financial statements and supporting schedules pertaining to the firm of AK CAPITAL, LLC as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the Company or any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.

AK CAPITAL, LLC

  
Andrew Kowalczyk, Managing Member

Subscribed and sworn to  
before me this 27 day of  
February, 2003

  
Notary Public



This report contains (check all applicable boxes)

- |                                     |     |  |
|-------------------------------------|-----|--|
| <input checked="" type="checkbox"/> | (a) | Facing page.   |
| <input checked="" type="checkbox"/> | (b) | Consolidated statement of financial condition.   |
| <input checked="" type="checkbox"/> | (c) | Consolidated statement of income.  |
| <input checked="" type="checkbox"/> | (d) | Consolidated statement of cash flows.  |
| <input checked="" type="checkbox"/> | (e) | Consolidated statement of changes in shareholders' equity or partners' or sole proprietor's capital.   |
| <input checked="" type="checkbox"/> | (f) | Consolidated statement of changes in liabilities subordinated to claims of general creditors.  |
| <input checked="" type="checkbox"/> | (g) | Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.  |
| <input checked="" type="checkbox"/> | (h) | Computation for determination of reserve requirements pursuant to Rule 15c3-3.   |
| <input checked="" type="checkbox"/> | (i) | Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3.  |
| <input checked="" type="checkbox"/> | (j) | A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3. |
| <input type="checkbox"/>            | (k) | A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation.   |
| <input checked="" type="checkbox"/> | (l) | An oath or affirmation.  |
| <input type="checkbox"/>            | (m) | A copy of the SIPC supplemental report.  |
| <input type="checkbox"/>            | (n) | A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.  |
| <input checked="" type="checkbox"/> | (o) | Independent auditors' report on internal accounting control.   |
| <input type="checkbox"/>            | (p) | Schedule of segregation requirements and funds in segregation -- customers' regulated commodity futures account pursuant to rule 171-5.  |

AK CAPITAL, LLC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2002 AND 2001

<u>ASSETS</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 117,777	\$ -
Marketable securities at market value	6,217,080	5,880,236
Deposit with clearing broker	112,552	111,297
Receivable from clearing broker	46,859	110,134
Receivable from joint venture	-	56,649
Other assets	22,648	38,251
Due from JV1, LLC	212,296	-
Deposits with joint ventures	-	100,000
Property and equipment, at cost, net of accumulated depreciation of \$44,216 and \$32,917	121,673	131,838
Security deposits	<u>3,000</u>	<u>10,000</u>
 TOTAL ASSETS	 <u>\$6,853,885</u>	 <u>\$6,438,405</u>
 <u>LIABILITIES AND MEMBERS' CAPITAL</u>		
<u>Liabilities</u>		
Cash overdraft	\$ -	\$ 27,867
Accrued expenses and other liabilities	113,127	88,969
Payable to clearing broker	5,886,544	5,341,487
Subordinated borrowings	110,000	340,000
 Members' capital	 <u>744,214</u>	 <u>640,082</u>
 TOTAL LIABILITIES AND MEMBERS' CAPITAL	 <u>\$6,853,885</u>	 <u>\$6,438,405</u>